

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

October 22, 2001

IN RE:

**JOINT PETITION OF ONESTAR LONG DISTANCE, INC.
AND CRG INTERNATIONAL, INC. FOR APPROVAL OF
TRANSFER OF ASSETS, CERTIFICATES, AND
CONTROL TO ONESTAR COMMUNICATIONS, LLC**

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**DOCKET NO.
01-00628**

ORDER APPROVING TRANSFERS OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority" or "TRA") at the regularly scheduled Authority Conference held on August 7, 2001 for consideration of the Joint Petition (the "Joint Petition") of OneStar Long Distance, Inc. ("OneStar Long Distance"), CRG International, Inc. ("CRG"), and OneStar Communications, LLC ("OneStar Communications") (the "Petitioners"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of transfers of the authority to provide utility services currently held by OneStar Long Distance and CRG to OneStar Communications.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

- (a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Joint Petition

The Joint Petition was filed on July 12, 2001. The Petitioners request Authority approval of a transfer of control of OneStar Long Distance and CRG to OneStar Communications. According to the Joint Petition, OneStar Long Distance is a privately-owned Indiana corporation, with its principal offices located in Evansville, Indiana. OneStar Long Distance was granted authority by the TRA to provide operator services or resold telecommunications services in Tennessee by Order dated October 10, 1996, in Authority Docket No. 96-01349. CRG is a privately-owned Georgia corporation, with its principal offices located in Atlanta, Georgia. CRG was granted authority by the TRA to provide operator services or resold telecommunications services in Tennessee by Order dated November 2, 1999, in Authority Docket No. 99-00602. CRG also received Authority certification as a long distance reseller in Tennessee by Order dated August 2, 1995, in Tennessee Public Service Commission Docket No. 95-02613. The Joint Petition further states that OneStar Communications is a privately-owned Indiana limited liability company, with its principal offices located in Evansville, Indiana, that is not currently authorized to provide telecommunications services in Tennessee or any other state.

The Joint Petition states that on March 7, 2001, OneStar Long Distance and CRG signed an operation agreement and a contribution agreement, as a result of which OneStar Long Distance and CRG will transfer select assets, including their customer bases, certificates, and

operational control to OneStar Communications. After the transfer, the entire stock of OneStar Communications will consist of the contributions of OneStar Long Distance and CRG, and OneStar Communications will henceforth provide all of the services of OneStar Long Distance and CRG in the state of Tennessee.

The Joint Petition states that OneStar Communications possesses the financial, managerial and technical qualifications to provide the services of OneStar Long Distance and CRG at the same or better standard of quality. The entire makeup of OneStar Communications' technical, managerial, and financial qualifications will be the product of a combination of the corresponding elements for OneStar Long Distance and CRG.

The Joint Petition explains that the proposed transaction will benefit consumers by promoting competition in the Tennessee telecommunications market. In addition, OneStar Communications plans to offer new and advanced services and other benefits to small and medium-sized consumers that are usually only available to high volume customers. The Joint Petition further states that OneStar Communications will be able to penetrate the Tennessee telecommunications market more effectively than OneStar Long Distance and CRG, as it will have the resources of both and can provide a wider array of services than either could alone.

Findings

The Directors of the Authority considered this matter at the August 7, 2001 Authority Conference. Based upon careful consideration of the Joint Petition, the Exhibits thereto, and of the entire record of this matter, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this Joint Petition pursuant to Tenn. Code Ann. § 65-4-113;
2. OneStar Long Distance, Inc. has been granted authority to provide telecommunications services in Tennessee;

3. CRG International, Inc. has been granted authority to provide telecommunications services in Tennessee;

4. The authority granted OneStar Long Distance, Inc. will be transferred to OneStar Communications, LLC;

5. The authority granted CRG International, Inc. will be transferred to OneStar Communications, LLC;

6. OneStar Communications, LLC has the suitability, financial responsibility, and capability to perform efficiently the utility service to be transferred to it; and

7. The transfers of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:

1. The Joint Petition of OneStar Long Distance, Inc., CRG International, Inc., and OneStar Communications, LLC for approval of the transfers of authority described herein is approved; and

2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary